

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 112 - HB 101

March 17, 2015

SUMMARY OF ORIGINAL BILL: Requires the commissioners of the Department of Health, Department of Mental Health and Substance Abuse Services (DMHSAS), the Department of Intellectual and Developmental Disabilities (DIDD), the Department of Human Services (DHS), and the Board of Licensing Health Care Facilities (BLHCF) to amend applicable rules for licensure as needed to be consistent with federal regulations pertaining to home- and community-based settings.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004300): Specifies the federal rule referenced in the original bill as the final rule published in the Federal Register at 79 FR 2947 on January 16, 2014.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- In January, 2014, the U.S. Secretary of Health and Human Services (HHS) issued a new federal rule that defines the qualities of setting in which Medicaid Home and Community Based Services (HCBS) may be provided. This rule became effective in March, 2014.
- This bill is modifying statute to comply with the new HCBS rules and to authorize the Department of Health, DMHSAS, DIDD, DHS, and the BLHCF to review and revise regulations as necessary to comply.
- Based on information provided by the Bureau of TennCare, should the State's HCBS programs not comply with new HCBS rules, the state could experience a loss in federal HCBS funds. Current funding for HCBS is equal to \$1,000,000,000 state and federal combined. The federal portion is estimated to be \$650,350,000 at a federal match rate of 65.035 percent.
- All affected Departments are currently in compliance with this federal ruling; therefore, there will be no significant fiscal impact to codify the current practice of the departments to remain in compliance with federal rules.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

/jdb